



BUDGET DIGEST – Week of October 5th

Reconciliation

What is reconciliation and why is it important? It's an expedited legislative procedure triggered by a concurrent budget resolution that is used to bring revenue and automatic spending levels in line with budget resolution targets. In the Senate, such a bill is filibuster-proof, requires only a simple majority (51 votes) to pass, and is limited to 20 hours of debate. A reconciliation bill is also subject to the Senate's "Byrd Rule", which prohibits extraneous provisions that have no budgetary effect, among other limitations. Reconciliation is important because it is perhaps the only legislative means by which a Republican majority can send a bill to the President that repeals major provisions of Obamacare.

What action has the House

taken on reconciliation? The fiscal year 2016 budget resolution includes reconciliation instructions to the Committees on Education and the Workforce, Energy and Commerce, and Ways and Means to submit legislation to the Budget Committee that reduces the deficit by at least \$1 billion over the period of fiscal years 2016 through 2025 while focusing on repealing

Obamacare. Last week, the three authorizing committees held markups and reported legislation to the Budget Committee that repeals various components of Obamacare (see table).

Reconciliation Action in the House

Ways & Means (saves \$37.1 billion)

- Repeal Individual & Employer Mandates
- Repeal "Cadillac" and Medical Device Taxes
- Repeal IPAB

Energy & Commerce (saves \$12.5 billion)

- Repeal Prevention & Public Health Fund
- Defund Planned Parenthood for 1 year
- Redirect savings from Planned Parenthood into community health centers

Education & Workforce (saves \$7.9 billion)

- Repeal automatic enrollment requirement for large employers

What are the next steps in the reconciliation process? The Budget Committee has announced it will markup the legislation submitted by the authorizing committees on October 9th. The Budget Committee's role during this step is to package the submissions from the authorizing committees into a single reconciliation bill without substantive changes added and to report the bill to the full House. The Committee on Rules will then report a rule providing for the consideration of the reconciliation bill and determine if any amendments will be made in order. After passage of the bill, the Senate would then either consider the House-passed reconciliation bill or its own reconciliation bill. If the Senate considers its own reconciliation bill, then a conference would be held. If Congress passes the reconciliation measure, it then sends it to the President.